



February 17, 2004

ENGROSSED HOUSE BILL No. 1434

DIGEST OF HB 1434 (Updated February 16, 2004 11:44 am - DI 75)

Citations Affected: IC 4-4.

Synopsis: Microenterprise development program. Establishes the microenterprise development program and the microenterprise development fund.

Effective: July 1, 2005.

Crawford, Aguilera, Thompson

(SENATE SPONSORS — SERVER, HOWARD)

January 20, 2004, read first time and referred to Committee on Ways and Means.

January 29, 2004, reported — Do Pass.

February 2, 2004, read second time, ordered engrossed.

February 3, 2004, engrossed.

February 4, 2004, read third time, passed. Yeas 87, nays 0.

SENATE ACTION

February 9, 2004, read first time and referred to Committee on Economic Development and Technology.

February 16, 2004, reported favorably — Do Pass.

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February 17, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1434

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-32 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]:

4 **Chapter 32. Microenterprise Development**

5 **Sec. 1. As used in this chapter, "corporation" means the Indiana**
6 **economic development corporation established by IC 4-1.5-3-1.**

7 **Sec. 2. As used in this chapter, "federal income poverty level"**
8 **means the nonfarm income official poverty line as determined**
9 **annually by the federal Office of Management and Budget.**

10 **Sec. 3. As used in this chapter, "microenterprise" means a**
11 **business, including a startup, home based, or self-employed**
12 **business, that:**

13 (1) has fewer than five (5) employees; and

14 (2) lacks access to conventional loans, equity, or other banking
15 services.

16 **Sec. 4. As used in this chapter, "microenterprise development**
17 **organization" means a nonprofit entity that provides services to**

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low income microenterprises.

Sec. 5. As used in this chapter, "program" means the microenterprise development program established by section 7 of this chapter.

Sec. 6. As used in this chapter, "training and technical assistance" means services and support provided to low income persons who are owners and operators of microenterprises. The term includes assistance for obtaining financial services and enhancing a microenterprise's business planning, marketing, management, and financial management skills.

Sec. 7. The corporation shall establish the microenterprise development program to provide grants to microenterprise development organizations. Each grant provided under the program must be matched by funds provided by the applicant for the grant. The matching funds required under this section may be provided by any source except other state funds.

Sec. 8. A microenterprise development organization must use a grant received under the program to provide training and technical assistance to low income microenterprises.

Sec. 9. To establish the criteria for making a grant to a microenterprise development organization, the corporation shall consider the following:

(1) The microenterprise development organization's plan for providing business development services and loans to microenterprises.

(2) The scope of services provided by the microenterprise development organization.

(3) The microenterprise development organization's plan for coordinating the services and loans provided under this chapter with commercial lending institutions.

(4) The geographic representation of all regions of the state, including urban and rural communities and neighborhoods.

(5) The ability of the microenterprise development organization to provide business training and technical assistance to microenterprise clients.

(6) The ability of the microenterprise development organization to monitor and provide financial oversight of microenterprise clients.

Sec. 10. A microenterprise development organization must ensure that at least fifty percent (50%) of the funds made available to the organization under the program are used to benefit persons whose income, adjusted for family size, is not more than one

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hundred fifty percent (150%) of the federal income poverty level.

Sec. 11. (a) The microenterprise development fund is established to:

(1) provide grants approved by the corporation under this chapter; and

(2) pay the costs of administering this chapter.

The corporation shall administer the fund.

(b) The fund consists of:

(1) amounts appropriated by the general assembly; and

(2) donations, grants, and money received from any other source.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) The fund is subject to an annual audit by the state board of accounts. The fund shall bear the full costs of this audit.

Sec. 12. Money appropriated to the program must be matched by an equal amount of money derived from any of the following nonstate sources:

(1) Private foundations.

(2) Federal sources.

(3) Local government sources.

(4) Quasi-governmental entities.

(5) Commercial lending institutions.

(6) Any other source whose funds do not include money appropriated by the general assembly.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1434, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 26, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Economic Development and Technology, to which was referred House Bill No. 1434, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1434 as printed January 30, 2004.)

FORD, Chairperson

Committee Vote: Yeas 9, Nays 1.

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